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**SUMMARY OF TELECONFERENCE MEETING #1  
RESIDENTIAL, COMMERCIAL & INDUSTRIAL TECHNICAL WORKING GROUP  
ARIZONA CLIMATE CHANGE ADVISORY GROUP  
AUGUST 31, 2005**

**Attendance:**

1. Technical Working Group members:
  - Suzanne Culp – Arizona League of Conservation Voters
  - Ken Evans (for Kevin Kinsall) – Phelps Dodge
  - Grady Gammage, Jr. – Gammage and Burnham
  - Glenn McGinnis – Arizona Clean Fuels
  - Lisa McNeilly – Xanterra South Rim, LLC
  - Tim Mohin – Intel Corporation
  - Don Netko – Freescale Semiconductors
  - Amanda Ormond – The Ormond Group
  - Suzanne Pfister – St. Joseph’s Hospital
  - Jeff Schlegel – Southwest Energy Efficiency Partnership (SWEEP)
  - Penny Allee Taylor – Southwest Gas
  - Bill Williams – Resolution Copper
2. ADEQ staff:
  - Kurt Maurer
3. Center for Climate Strategies (CCS) staff:
  - Alison Bailie, Michael Lazarus, Tom Peterson, Eric Williams

**Background documents:**

(all posted at <http://www.azclimatechange.us/template.cfm?FrontID=4674>)

1. Agenda
2. Powerpoint presentation for meeting
3. AZ draft Inventory and Reference case
4. RCI GHG Reduction Opportunities (policy matrix)
5. Appendices for RCI GHG Reduction Opportunities

**Discussion items and key issues:**

1. *Growth projections for energy use*

- a. Penny Allee Taylor (Southwest Gas) asked if new federal diesel standards had been factored into the assumptions. Michael Lazarus said he thought it may be more a factor in the black carbon issue. He would check the Move Arizona report.
  - b. Penny Allee Taylor agreed to see if Southwest Gas has forecasted distribution projections to share with the group. She will follow up with Michael Lazarus and Alison Bailie.
  - c. Jeff Schlegel (Southwest Energy Efficiency Project) noted that the current projection of 3% electricity load growth (used by the Arizona Corporation Commission) is lower than recent experience and that Arizona load growth has tended to exceed past projections. He suggested that this 3% projection be viewed as a low projection. Lisa McNeilly (Xanterra South Rim, LLC) suggested the possibility of presenting high and low projections.
  - d. CCS/Tellus staff will consult with utilities to see if they have individual growth forecasts to share, and inform possible revisions to the electricity load growth projections. The possibility of multiple scenarios will also be considered.
  - e. Glenn McGinnis (Arizona Clean Fuels) agreed to check with their internal consultants to compile data on anticipated fuel use and/or carbon emissions from the proposed refinery and provide by next meeting, if possible.
2. Penny Allee Taylor wondered about the level of fuel use and emissions associated with construction activity for new start-up developments, given the rapid pace of building in the state, and whether that might present opportunities for emissions reductions. Given limited data on fuel used in state construction, CCS/Tellus staff offered to look into overall national construction energy use, and to attempt a rough back-of-the-envelope estimate based on Arizona's share of national construction activity.
  3. Grady Gammage (Gammage & Burnham) questioned the implications of slides 12 and 15 in the powerpoint presentation, observing that the HFCs look extraordinary, which suggests that residential air conditioning demand may be the single largest emission problem to be addressed. CCS/Tellus staff noted that overall growth in emissions from increased electricity use is likely to be much greater than growth in HFC emissions. It is possible that a significant fraction of residential and commercial load growth is related to cooling energy needs. CCS/Tellus will explore more detailed, end-use breakdowns of energy use as the process proceeds; further inputs by TWG members would be very helpful.

Furthermore, CCS/Tellus staff noted that, by convention, CFCs, which are also potential greenhouse gases, are not included in GHG inventories to avoid overlap with efforts to reduce ozone-depleting substances through the Montreal Protocol. (Lisa McNeilly suggested that this also helps to avoid the development of conflicting regulations.) If the global warming potential of CFCs were shown as well, the overall growth in GHG emissions from the release of fluorinated cooling/refrigeration gases would appear far lower. CCS/Tellus staff will provide further clarifications in subsequent inventory drafts. (These points are currently noted on pps. 7 and 30 of the draft inventory [see footnotes 8 and 43], as well as p. 35 [Appendix H].)

### **Next steps and agreements:**

1. In preparation for the second call, CCS/Tellus staff will fill in selected columns of the strategy matrix (emission reduction potential and cost) to the extent possible based on a combination of experience in other states and emissions projections for Arizona. TWG members are requested to provide further inputs on the matrix and specific options, especially any missing ones, as soon as possible. Several TWG members asked building codes to become more prominent in the matrix. To reduce repetition and make it easier to review at the next meeting, CCS/Tellus staff will also consolidate the strategy list (which currently numbers more than 60 strategies for RCI).
2. **Next TWG call**  
**Thursday, Sept. 15, 2005, from 9 a.m. – 10:30 a.m.**